

IN THE MATTER OF
INVITATION FOR BIDS
NO. EXC-8642

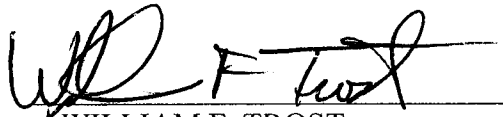
THIS COMMENTARY DOES NOT
AMEND INVITATION FOR BIDS
NO. EXC-8642

One timely request for a Pre-Bidders' Conference was received. The requester was invited to identify the matters of concern underlying that request. After consideration of the matters identified in the requester's subsequent submission, I determine as follows:

1. No Pre-Bidders' Conference is needed; and
2. For the benefit of the requester and all other persons interested in Invitation for Bids No. EXC-8642, the matters identified by the requester and my comments on them should be made available to the public; and
3. A copy of this commentary (A) shall be mailed to all addressees who were mailed a copy of Invitation for Bids No. EXC-8642 and (B) shall be placed with Invitation for Bids No. EXC-8642 on the Maritime Administration's webpage at
www.marad.dot.gov/headlines/pdf/cover8642.html.

The matters identified and my comments on them are as set forth below.

Date: 1/19/01


WILLIAM F. TROST
Acting Director
Office of Sealift Support
Contracting Officer

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“A. The proposal requires each bid to be accompanied by a Business plan showing what repair, restoration, and reconstruction work will be performed on the

Vessel(s)...where in the United States the work will be performed, and by whom...."

"1. How detailed must the plan be as to repair, restoration and reconstruction? The full extent of the work will not be known until the Vessel is in the shipyard and systems may be tested. Furthermore, it is our understanding that to some extent the Vessels have been cannibalized since our initial inspection. The bidder requests specific direction as to the acceptable level of information required for this portion of the business plan to comply with the proposal."

COMMENT: The business plan must show evidence to the Contracting Officer that the bidder understands the scope and complexity of the many aspects to the project and has the ability to complete the repair, restoration and reconstruction of the Vessel(s). With respect to your "understanding" based on an "initial inspection," please be advised that this solicitation stands independent of any prior offerings and itself urges inspection before submitting a bid.

"2. The bidder is required to identify who will perform the work and where it will be performed, however, a final contract regarding the shipyard will not be signed unless and until the bidder is awarded the Vessel. Shipyard contracts are often based on the availability of the dry-dock or pier. What happens if after the award of the Vessel, the shipyard identified in the business plan is unable to render the required services within the timetable set forth in the Contract? Is the bidder allowed to have the work completed at another U.S. shipyard?"

COMMENT: If the U.S. shipyard selected to do the work is unable to perform the work within the established timetable, the bidder will be allowed to employ the services of another U.S. shipyard within the timetable set forth in the contract.

"B. The proposal requires each bid to include evidence that the recipient possesses the financial resources to complete the reconstruction of the Vessel(s)."

"1. Is a letter from a financial institution stating that the recipient possesses liquid assets sufficient to fund the project adequate evidence? Are there any formalities required for such a statement or letter?"

COMMENT: A letter is not sufficient evidence. The recipient must demonstrate not only that it possesses liquid assets (or cash or written loan commitment) sufficient to fund the project, but that those identified financial resources are in fact available to accomplish the requirements in the business plan within the timetable. Any conditions, restrictions, or

covenants, which could limit the availability of the identified financial resources to accomplish the project, must be clearly and fully disclosed.

“C. Are the terms of the contract negotiable? If so, at what point may the bidder negotiate change and with whom would the negotiations be conducted?”

COMMENT: No.

“D. Has the Secretary of Transportation determined the fair market value of the Vessel(s)? If so, what is the fair market value of each of the Vessels?”

COMMENT: The fair market value will be determined prior to the Contracting Officer’s decision on awarding a contract or terminating the solicitation. The fair market value is never released prior to such decision.

“E. Following the opening of the bids, when will an award be made?”

COMMENT: Any award will be made within a reasonable time after bid opening.

“F. What is the process for evaluating the bids, and who is responsible for each step of the process?”

COMMENT: The bids will be evaluated by the Contracting Officer in light of the terms in Public Law 105-263 and in Invitation for Bids No. EXC-8642.

“G. What happens if a bid is accepted, but the bidder is unable to meet the requirements for closing, performance bond, etc? Is a new invitation for bids published or will the Vessel(s) be awarded to the bidder with the next highest acceptable bid?”

COMMENT: If a bid is accepted, but the bidder is unable to meet such requirements, the next higher bid of a responsive, responsible bidder will be accepted.

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